

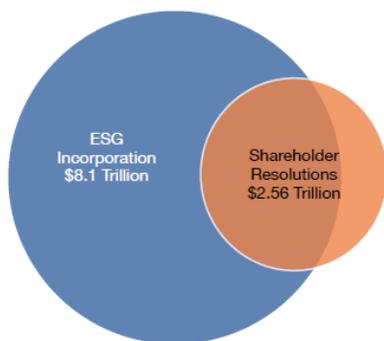
# 2016 Trends Report: Investor Advocacy Highlights

## Snapshot of US Sustainable, Responsible and Impact Investing

### What the *Trends Report* measures

The 2016 *Trends Report* is a snapshot of US-domiciled assets engaged in sustainable, responsible and impact (SRI) strategies at year-end 2015. The report measures two SRI strategies: (1) ESG incorporation, and (2) Filing shareholder resolutions on ESG issues.

### Sustainable, Responsible and Impact Investing Assets in the United States 2016



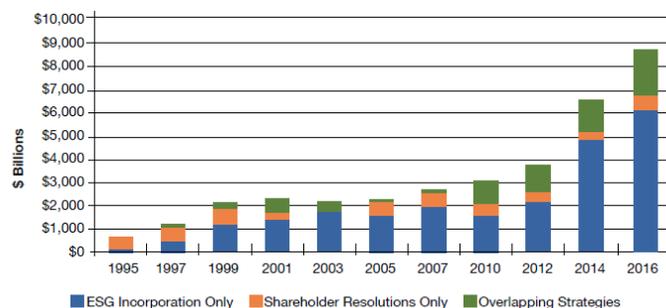
SOURCE: US SIF Foundation.  
 NOTE: ESG incorporation assets in this figure include those in Community Investing Institutions.

Data from Report on US Sustainable, Responsible and Impact Investing Trends 2016; SRI assets represent nearly 22% of \$40.3 trillion in assets under professional management tracked by Cerulli Associates at year-end 2015.

### 33% growth over the past two years, and a 14-fold increase since 1995

- SRI investing continues to expand—now accounting for more than one out of every five dollars under professional management in the United States.
- The total US-domiciled assets under management using SRI strategies grew to \$8.72 trillion at the start of 2016, an increase of 33% since 2014.

### Sustainable, Responsible and Impact Investing in the United States 1995-2016



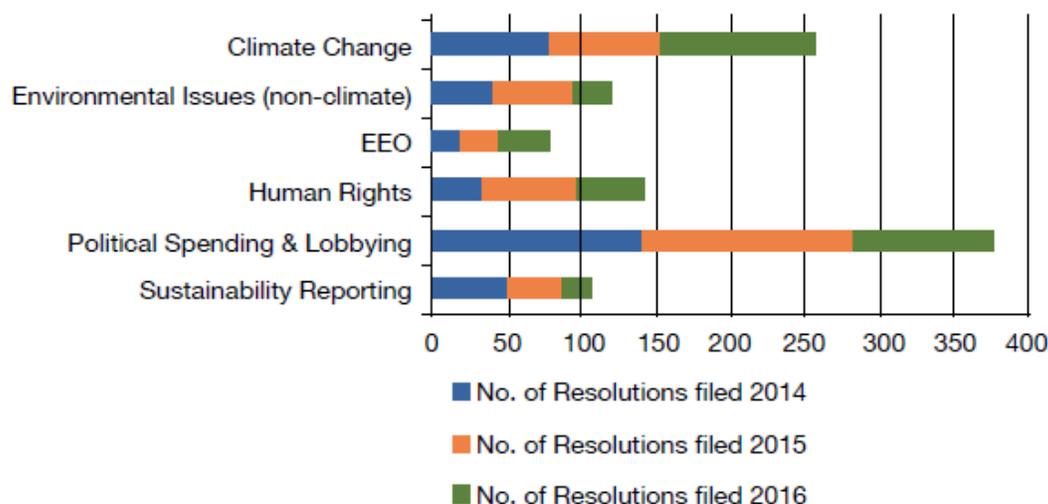
SOURCE: US SIF Foundation.

## Significant Findings about Investor Advocacy

- From 2014 through the first half of 2016, 176 institutional investors and 49 investment managers collectively controlling a total of \$2.56 trillion in assets at the start of 2016 filed or co-filed shareholder resolutions on ESG issues.
- Of this \$2.56 trillion in assets, \$1.93 trillion is also engaged in the strategy of ESG incorporation.
- In addition to or apart from filing shareholder resolutions, 57 institutional asset owners, with \$912 billion in total assets, reported on the survey that they engaged in dialogue with companies on ESG issues, as did 61 asset managers, with \$6.9 trillion in assets under management.
- Disclosure and management of corporate political spending and lobbying is one of the greatest single concerns raised by shareholders on ESG issues; they filed more than 370 proposals on this subject from 2014 through 2016. Many of the targets are companies that have supported lobbying organizations that deny climate change science and oppose regulations to curb greenhouse gas emissions.
- Separately, investors filed 350 proposals at US companies from 2014 through 2016 to facilitate shareholders' ability to nominate directors to corporate boards. As a result of the strong investor support for these "proxy access" proposals, the share of S&P 500 companies establishing proxy access measures over this period grew from 1 to 40 percent.

- A surge in shareholder proposals on climate change began in 2014 as investors wrestled with the prospects of “stranded” carbon assets, US and global efforts to curb greenhouse gas emissions and the calls by 350.org and other environmental groups for divestment from fossil fuel companies.
- The proportion of shareholder proposals on social and environmental issues that receive high levels of support has been trending upward. From 2007 through 2009, only about 17 percent of these proposals received support from 30 percent or more of the shares voted. Since 2013, approximately 30 percent cleared this threshold.
- Shareholder resolutions can also be effective even if they never come to votes. The process of filing often prompts productive discussion, leading to agreements between the filers and management that enable the filers to withdraw their resolutions. Many companies are open to negotiating with proponents either to find common ground on an issue or to remove potentially controversial items from the proxy statement.

**Fig. 4.5: Leading Environmental and Social Issues by Number of Proposals 2014–2016**



SOURCE: Sustainable Investments Institute, US SIF Foundation.

### About the 2016 Trends Report

The US SIF Foundation’s biennial *Trends Report* provides extensive data on the assets using one or more sustainable investment strategies and examines a broad range of significant ESG issues such as climate change, human rights, weapons avoidance and corporate governance.

This report is the only report of its kind in the United States and is extensively used by other institutions and organizations. To obtain a copy, visit [www.ussif.org/trends](http://www.ussif.org/trends).

### About US SIF

**US SIF: The Forum for Sustainable and Responsible Investment** is the leading voice advancing sustainable, responsible and impact investing across all asset classes. Its mission is to rapidly shift investment practices towards sustainability, focusing on long-term investment and the generation of positive social and environmental impacts.

**The US SIF Foundation** undertakes educational, research and programmatic activities to advance the mission of US SIF.

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